GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

UNSTARRED QUESTION NO:1853
ANSWERED ON:30.11.2000
OIL POOL DEFICIT AND ADVERSE IMPACT ON ECONOMY
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Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) the oil pool deficit of the Government as on March 31, 2000 and as on date;

(b) the deficit likely to be increased by the end of the current financial year; and

(c) the action proposed to be taken by the Government to check the adverse impact on the country`s economy?

Answer

MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI SANTOSH KUMAR GANGWAR)

(a) : The oil pool deficit on March 31, 2000 was Rs.6,256 crores. Currently, it is estimated at around Rs.12000 crores.

(b): The deficit at the end of the current financial year would depend on the consumption pattern of products, prices of crude oil and petroleum products in the international market and dollar-rupee parity.

(c): In consideration of the sharp increase in the international prices of crude oil and petroleum products, Government decided to pass around 1/3rd of the estimated oil pool deficit by the end of current financial year through upward revision in the consumer prices of controlled petroleum products effective 30th September, 2000. Simultaneously, Government reduced duties of customs on crude oil from 15% to 10% and on petrol, diesel etc. from 25% to 20%. Further, duties of excise have been reduced from 16% to 12% on diesel and from 32% to 16% on petrol. Government after considering various representations, have reduced the ex storage point price of kerosene for public distribution system by Re.0.89/liter and of domestic LPG by Rs.8.54/cylinder with effect from 22nd November, 2000 resulting into reduction in retail selling prices by around Re.1/litre and Rs.10/cylinder, respectively.